



GOV. MSG. NO. 1215

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 12, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 12, 2015, the following bill was signed into law:

SB854 SD2 HD2 CD1

RELATING TO PUBLIC SCHOOL LANDS
ACT 115 (15)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

RECEIVED
SENATE
OFFICE OF THE PRESIDENT

'15 JUN 12 P4:10

RECEIVED
THE SENATE
CLERK'S OFFICE
STATE OF HAWAII

'15 JUN 12 P5:11

on JUN 12 2015

THE SENATE

TWENTY-EIGHTH LEGISLATURE, 2015

STATE OF HAWAII

ACT 115
S.B. NO.

854
S.D. 2
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 302A-1151.1, Hawaii Revised Statutes,
2 is amended to read as follows:

3 "[§]§302A-1151.1[§] Pilot program for lease of public
4 school land. (a) There shall be established within the
5 department a pilot program for the lease of public school land,
6 including facilities. The department, in consultation with the
7 board of education and any other appropriate agency, shall serve
8 as the facilitator of the pilot program.

9 (b) Notwithstanding sections 171-13 and 302A-1151, or any
10 other law to the contrary, the department may lease public
11 school land on terms it deems appropriate[+], including a
12 leaseback of all or a portion of the improvements constructed;
13 provided that:

14 (1) The board may identify and select up to five public
15 school land sites as candidates for participation in
16 the pilot program; provided that:

17 (A) During the identification and selection process,
18 the board shall be subject to chapter 92, shall



1 hold at least one public meeting in each affected
2 community, and shall foster school and community
3 participation; and

4 (B) If the site is on land owned by the county, the
5 department shall consult with the county;

6 (2) The department may lease public school land for no
7 more than three public school land sites identified
8 and selected by the board pursuant to paragraph (1)
9 under leases for a term of not more than fifty-five
10 years per lease, unless extended pursuant to section
11 171-36, to lessees who shall be required to modify,
12 construct, or utilize facilities to ~~[meet public]~~
13 benefit public educational purposes, ~~[including~~
14 ~~workforce rental housing units,~~] in accordance with
15 specific request for proposal or request for
16 information guidelines; ~~[and]~~

17 (3) Each lease shall stipulate that the lessee may retain
18 any revenue generated from the facilities; provided
19 that:

20 (A) The lessee shall be obligated to maintain and
21 operate the facilities ~~[for a public purpose]~~ to



1 benefit public educational purposes for the
2 length of the lease;

3 (B) The lessee shall be obligated to pay to the
4 county all applicable property tax on the value
5 of any improvements;

6 (C) A leasehold premium may be charged to the lessee
7 for the right to use the public school land based
8 on a competitive [~~bid~~] process[+] that complies
9 with applicable sections of chapter 103D;

10 (D) Upon the expiration of the lease, the facilities
11 shall revert to the department; and

12 (E) All revenues and proceeds derived by the State
13 under this section shall be deposited in the
14 school facilities subaccount pursuant to section
15 302A-1151.2[+]; and

16 (4) Notwithstanding any law to the contrary, the
17 department may enter into leaseback agreements that
18 allow the department to lease or sublease the property
19 to a third party. The department may lease back the
20 property from the third-party lessee or sublessee for



1 a contractual period of time, after which the
2 department shall own any improvements.

3 (c) Any redevelopment involving nonschool purposes shall:

4 (1) Comply with county plans, ordinances, and zoning and
5 development codes; and

6 (2) Acquire all required government approvals and permits.

7 (d) Nothing in this section shall preclude the department
8 from working with and receiving assistance from any other
9 department or agency in carrying out the purposes of this
10 section.

11 (e) Any lease entered into by the department pursuant to
12 subsection (b) shall be fully executed no later than five years
13 from July 1, 2013.

14 (f) For purposes of this section, public educational
15 purposes shall include but are not limited to:

16 (1) A new revenue source from the redevelopment of one or
17 more underutilized department facilities;

18 (2) New construction of department facilities or
19 renovation of existing, underutilized department
20 facilities into a twenty-first century school; or

21 (3) A combination of paragraphs (1) and (2)."



- 1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.
3 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 12 day of JUN, 2015

A handwritten signature in black ink, appearing to read "David Y. Ige", written in a cursive style.

GOVERNOR OF THE STATE OF HAWAII